

AMENDMENT

This Amendment (the "Amendment"), is made and entered into as of October 27, 2003, between Calpine Energy Services, L.P. ("Calpine") and State of California Department of Water Resources with respect to its responsibilities pursuant to California Water Code Section 80000 *et seq.* regarding the Department of Water Resources Electric Power Fund separate and apart from its powers and responsibilities with respect to the State Water Resources Development System ("Department"):

W I T N E S S E T H:

WHEREAS, Calpine and the Department entered into an amended and restated confirmation letter on April 22, 2002 and effective May 1, 2002, commonly referred to by the parties as the "Calpine 2 contract" ("Calpine 2"); and

WHEREAS, Calpine 2 contained Special Condition (4) which, together with Special Condition (2) thereof, was intended to ensure the timely completion of certain enumerated power plants by Calpine and its affiliates in the State of California; and

WHEREAS, Special Condition (4) and Special Condition (2) as set forth in Calpine 2 was a significant part of the consideration for and benefit derived by the Department in the renegotiation of all of its agreements with Calpine in April, 2002; and

WHEREAS, Calpine has not met a construction milestone set forth in Calpine 2 with respect to the Metcalf Project; and

WHEREAS, notwithstanding current market constraints, which make it difficult to obtain funding for power plant construction projects that are not supported by long-term power purchase agreements, through the extension of the construction schedules for certain power plants currently under construction outside of California, Calpine Corporation believes that, absent unforeseen circumstances, it will have sufficient funds available to proceed with and complete construction of the Metcalf Project on a schedule culminating in the Project's entering into commercial operation on or before July 31, 2005, without regard to whether Calpine Corporation obtains additional financing for the Metcalf Project or involves any third parties; and

WHEREAS, in furtherance of Calpine Corporation's intent to proceed with construction of the Metcalf Project on such schedule, Calpine Corporation has, through the date hereof, taken the steps described on Schedule 2 attached hereto; and

WHEREAS, in light of the foregoing, Calpine and the Department wish to amend the provisions of Special Condition (4) to reflect, among other things: (i) a revised construction milestone schedule for the Metcalf Project and (ii) a new arrangement whereby, subject to the terms and conditions set forth in this Amendment, liquidated damages will be imposed on Calpine in the event Calpine fails to meet any of the revised construction milestones and the Commercial Operation milestone;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Definitions. Capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in Calpine 2.

Section 2. Amendment of Special Condition (2). (a) The first sentence of Special Condition (2) is hereby amended to read as follows: "Seller, for each Project (as defined in Special Condition (4) below), shall provide monthly reports to Buyer not later than the 15th day of the following month in a form and level of detail satisfactory to Buyer which set forth the status of pre-construction activities (including permitting, licensing, financing, equipment acquisition and similar pre-construction activities), construction activities (including the construction milestones listed in Schedule 1B), progress toward compliance with any milestone dates established in the California Energy Commission ("CEC") or other applicable siting permit and this Confirmation, and the then expected commercial operation dates."

(b) The third sentence of Special Condition (2) is hereby amended to read as follows: "Buyer may inspect any Project construction site or any non-confidential on-site Seller data and information pertaining to the Projects reasonably necessary to verify the information provided pursuant to the first sentence of this Special Condition (2) during business hours without notice, accompanied by any representative of the Project made immediately available at the site, it being understood that Seller may not delay any inspection by failing to make a representative available, and subject to compliance with safety procedures adopted for the site."

(c) A new sentence shall be added to Special Condition (2) immediately after the third sentence of Special Condition (2) as follows: "Subject to compliance with safety procedures adopted for the site, from commencement of construction through commercial operation of the Project, Buyer shall be entitled to establish an on-going physical presence at all Project sites, including a dedicated work space, a parking space therefor and access thereto, in order to facilitate its monitoring rights. Such office and parking space shall be provided to Buyer at no cost to Buyer, but all other costs and expenses incurred by Buyer in connection with the exercise by Buyer of its monitoring rights shall be for Buyer's account."

Section 3. Amendment of Special Condition (4). The provisions of Special Condition (4) of Calpine 2 are hereby amended and entirely restated to read as follows:

"(4) (a) Seller will use commercially reasonable efforts to complete its Otay Mesa (estimated installed capacity of 600 MW), East Altamont (proposed installed capacity of 1100 MW) projects and the San Joaquin Valley Energy Center (proposed installed capacity of 1100 MW) and diligent efforts to complete its Metcalf project (estimated installed capacity of 600 MW) (collectively, the "Projects", each a "Project"). For any Project, at the request of Buyer, which Buyer may elect to make in its sole discretion, Seller will, subject to the terms and conditions set forth below, assign or otherwise

transfer to Buyer, free and clear of any liens or encumbrances created by Seller or its Affiliates, all of its right, title and interest in such Project (including, without limitation, all permits, consents and approvals, engineering and design drawings, contracts and equipment entered into or acquired for the Project, and all other Project assets), to the extent that such rights, titles, interests or assets are assignable or transferable (such right being referred to as the "Step-in Right"), if:

(i) With respect to any Project, Seller permanently elects not to proceed with construction, development or commercial operation of the Project; or

(ii) (A) With respect to the Otay Mesa Project, Seller fails to achieve any of the following major milestones for the Otay Mesa Project or (B) with respect to the Metcalf Project, Seller fails to achieve any of the major milestones for the Metcalf Project set forth on Schedule 1A by the major milestone dates set forth on Schedule 1A:

Otay Mesa

Commence Construction	12/31/02
Begin Pouring Major Foundation Concrete	7/31/03
Begin Installation of Major Equipment	10/31/03
Achieve Commercial Operation	12/31/04

(iii) With respect to each of Seller's East Altamont Project and San Joaquin Valley Project, Seller fails to obtain the CEC permit for such Project by November 30, 2002, or Seller fails to commence construction of such Project within one year of the date by which the order issuing such CEC permit and all other permits necessary for the start of construction become final and non-appealable through the passage of time or by the exhaustion of any appeals.

(b) For purposes of this Special Condition (4),

(i) to "commence construction" means (A) actively to commence site excavation, (B) to make a significant commitment of resources designed to achieve construction and commercial operation of the Projects by the dates set forth in this Special Condition (4), including without limitation the execution of sufficient contracts for necessary materials and supply, and (C) to cause sustained activity to occur on a daily basis at the Project site, with full crews, that is designed to achieve construction and commercial operation of the Projects by the dates set forth in this Special Condition (4).

(ii) to "achieve commercial operation" of a Project means that such Project has been completed, has passed all material performance tests, Seller or the owner of the Project has all necessary permits to operate the Project at the output level for which it was designed, the Project is capable of operating on a sustained basis at substantially the

output level for which it was designed, and all interconnections, the capacity rating of the interconnection facilities, the interconnection agreement, and transmission connection are sufficient for the delivery of the full output of the Project to the CAISO-controlled grid.

(c)(i) Seller shall have 90 days to cure any failure to meet any of the deadlines set forth above in subparagraphs (a)(ii)(A) and (iii) with respect to the Otay Mesa, East Altamont and San Joaquin Projects; provided, further, that with respect to the deadlines to obtain permits set forth in subparagraph (a)(iii) above with respect to the East Altamont and San Joaquin Projects, such 90-day period shall be extended day by day for permit delays if Seller is diligently seeking to obtain the permits referred to in said subparagraph (a)(iii), as determined by the CEC. If any dispute arises concerning whether Seller is diligently seeking to obtain the permits referred to in said subparagraph (a)(iii), Seller shall file a letter with the Chair of the CEC's Energy Infrastructure and Siting Committee and the CEC Chief Counsel requesting a determination that it is diligently seeking to obtain permits in accordance with the provisions of the preceding sentence. Within 5 business days after each of the deadlines set forth above in subparagraphs (a)(ii)(A) and (iii), Seller shall notify Buyer in writing whether the deadline has been met, and if it has not been met, Seller shall further notify Buyer whether and how Seller plans to cure within 90 days.

(ii) In addition to any extensions pursuant to subsection (c)(iii) below, Seller shall have 150 days to cure any failure to meet any of the deadlines set forth above in subparagraph (a) (ii) (B) with respect to the Metcalf Project. After taking into effect any extension pursuant to subsection (c)(iii) below, until any such failure is cured, Seller shall pay to the Buyer, as liquidated damages for loss of a bargain and not as a penalty (the parties agreeing that the Buyer's actual damages would be difficult to predict, and that the amounts payable pursuant to this subparagraph (c)(ii) represents a reasonable approximation of such amount), the following amounts per day during each 150 day cure period for each failure to meet any of the deadlines set forth above in subparagraph (a) (ii) (B) with respect to the Metcalf Project: (i) first 30 days, \$5,000, (ii) next 30 days, \$7,500, and (iii) each day thereafter through the end of the 150 day period, \$10,000. For the avoidance of doubt, Seller's obligation for liquidated damages hereunder shall be capped at \$1,275,000 for each failure to meet any of the deadlines set forth in paragraph (a)(ii)(B) with respect to the Metcalf Project. Seller shall pay any amounts payable by Seller to Buyer pursuant to this subparagraph (c)(ii) into an escrow account held by an independent trustee. If Seller achieves commercial operation of the Metcalf Project on or before the Commercial Operation major milestone in Schedule 1A, all amounts held in such escrow account shall be promptly paid to the Seller. If Seller achieves commercial operation of the Metcalf Project after the Commercial Operation major milestone in Schedule 1A, all amounts held in such escrow account shall be promptly paid to the Buyer. Within 5 business days after each of the deadlines set forth in Schedule 1A referred to above in subparagraph (a)(ii)(B), Seller shall notify Buyer in writing whether the deadline has been met, and if it has not been met, Seller shall further notify Buyer whether and how Seller plans to cure within 150 days.

(iii) The deadlines set forth in subparagraphs (a)(ii)(A), (a)(ii)(B) and (iii) for each of the Projects, shall be extended by a period equal to the duration of any period of Force Majeure. In addition, the milestone date set forth for "Achieve Commercial Operation" in subparagraph (a)(ii)(A) or (a)(ii)(B) with respect to the Otay Mesa and Metcalf Projects (and not any other milestone date in subparagraph (a)(ii)), shall be extended day for day for each day Seller is unable to achieve physical interconnection to water supply or discharge, gas transportation or electric transmission facilities necessary for such Project if Seller is, diligently seeking to obtain such interconnections.

(d) If Seller shall fail to meet any of the deadlines set forth in subparagraphs (a)(ii) and (iii) with respect to any of the Projects within the applicable cure period, Buyer shall have 60 days following the expiration of the applicable cure periods to exercise its Step-in Rights by requesting assignment of Seller's right, title and interest in the applicable Project, which request shall be by written notice thereof to Seller. In addition, Buyer shall have 60 days following any election by Seller under subparagraph (a)(i) or any notice from Seller that it does not intend to cure within the applicable cure period to request assignment of Seller's right, title and interest in the applicable Project, which request shall be by written notice thereof to Seller.

(e) Seller represents, warrants and covenants with respect to all Projects that, except for rights and liens granted in connection with the financing of any Project (i) it has not conveyed and will not convey, prior to the commercial operation date of a given Project, any ownership interests in or any interests in the profits of such Projects to any person other than Calpine Corporation or a direct or indirect wholly-owned subsidiary thereof, and (ii) it has not conveyed and will not convey, prior to the commercial operation date of a given Project, any rights or options to acquire such ownership or profit-sharing interests to any person other than Calpine Corporation or a direct or indirect wholly-owned subsidiary thereof. Seller further represents, warrants and covenants with respect to all Projects that it has or will have sufficient control of all property rights that are necessary to develop the Projects in a commercially reasonable manner and, except for rights and liens granted in connection with the financing of any Project, it has not agreed and will not agree to, or acquire any such Project subject to, any terms or provisions in any agreement with respect to such Projects that would (A) allow any person other than Calpine Corporation or a direct or indirect wholly-owned subsidiary thereof to take over such Projects that are senior and superior to Buyer's rights under this Special Condition (4), or (B) have the effect of materially impairing Buyer's rights under this Special Condition (4) through the imposition of burdens, liabilities, obligations or financial disincentives on any party succeeding to Seller's rights with respect to the Projects and are not incurred in the normal course of Seller's business.

(f) If Buyer exercises its right to compel assignment of Seller's right, title and interest in a Project, such assignment shall be on the following terms and conditions: (i) all assignments and transfers of any such right, title, interest, asset or other property shall be made by Seller on an "as is, where is" basis, without warranty of any kind, express or implied, other than Seller's warranty in subparagraph (e) of this Special Condition (4) and a warranty that Seller has not previously transferred its right, title or interest in such Project to another person or entity, (ii) all assignments and transfers shall be subject to

the then existing rights of record or otherwise disclosed prior to the effective date of the assignment of any person, entity or governmental agency or authority with respect to the property assigned or transferred, (iii) if the consent of any third party or governmental agency or authority is required to effect such assignment or transfer, it shall be Seller's obligation to cooperate with Buyer and use commercially reasonable efforts to obtain all such necessary consents and, with respect to all prospective agreements related to the Project, use commercially reasonable efforts to provide for such consent in such agreements, and (iv) concurrently with such assignment and transfer, Buyer shall assume any installment purchase agreement with respect to any equipment for the Project, and any interconnection agreement with respect to the Project, entered into by Seller or any of its Affiliates; provided, however, that any payments due under the installment purchase agreement or interconnection agreement must be current as of the effective date of such assignment and provided further that the interconnection agreement furnishes sufficient capacity for delivery of the output of the Project.

(g) In consideration for such assignment, Buyer shall reimburse Seller the latter's actual, verifiable and, with respect to affiliated parties, reasonable, costs without interest or carrying charges, for the acquisition of real estate and real estate interests, including the cost of real estate options, and for all material, supplies and equipment (including installment payments for such equipment previously made by Seller pursuant to an installment sales agreement) purchased for the Project; if Buyer exercises its right of assignment after the commencement of construction, Buyer will also reimburse Seller the latter's actual, verifiable and, with respect to affiliated parties, reasonable, costs of construction, through the date of such exercise, including labor costs, without interest or carrying charges. The assets being purchased by the Buyer with respect to any Project do not include, and Buyer shall not be required to purchase, any emissions reduction credits for a Project; provided, however, that Buyer shall have the option to purchase such credits at fair market value, subject to the right of Seller to retain such credits for use in the same California air district to the extent Seller reasonably expects that it will need such credits in connection with the construction or operation of power plants in such district. In no event, however, shall Buyer be required to pay Seller any additional consideration for the cost of obtaining permits, preparing engineering drawings, or acquiring similar documents, or for any other Project development costs. If the Parties are unable to agree as to the assets to be conveyed or amount to be reimbursed as defined in this Special Condition (4), they shall agree to have PricewaterhouseCoopers, Ernst & Young, or KPMG (or any of their successors) examine the books of Seller and within 30 days determine the assets to be conveyed or amount to be reimbursed. The determination of such accountant shall be final, non-appealable and binding on the Parties, who shall promptly effectuate the assignment or conveyance of such assets in exchange for payment of the amount so determined. At Seller's request, Buyer shall execute any consents, subordination agreements or similar agreements reasonably requested by Seller's lenders in connection with the financing of such Project, so long as such consents, subordination agreements or other agreements do not materially and adversely affect Buyer's rights hereunder; provided, however, Buyer agrees that its rights hereunder shall be subordinate to those of Seller's lenders unless Buyer shall agree with Seller's lender(s) that the reimbursement upon exercise of its right to assignment hereunder shall

at a minimum be not less than the full amount of any debt secured by or utilized to finance such Project. Except as permitted in subsection (e), Seller shall not sell, assign, convey, transfer or otherwise dispose of its right, title or interest in any of the Projects (including, without limitation, all permits, consents and approvals, engineering and design drawings, contracts and equipment entered into or acquired for the Project, and all other Project assets), other than with respect to financing of the Project, to any person or entity other than Buyer, without the express written consent of Buyer, which shall not be unreasonably withheld; provided, further, that such assignment, conveyance, disposition or transfer shall be made subject to Buyer's rights under this Special Condition (4), and the transferee shall acknowledge in writing that it is bound by the terms of this Special Condition (4).

(h) The failure of Seller to meet the requirements of Subsection (a) with respect to any Project shall allow Buyer to exercise its rights under this Special Condition (4) only with respect to such Project and shall not allow Buyer to exercise such rights with respect to any other Project or Projects unless Seller independently fails to meet the requirements of subsection (a) with respect to such other Project or Projects. Buyer's Step-in Rights under this Special Condition (4) shall be Buyer's sole remedy for Seller's failure to meet its obligations under subsection (a) of this Special Condition (4) with respect to any Project. With respect to any failure of Seller to pay any amounts payable by Seller to Buyer pursuant to subparagraph (c)(ii), Buyer shall have all rights and remedies under the Agreement except that Buyer may not set off amounts payable by Seller to Buyer pursuant to subparagraph (c)(ii) against amounts payable by Buyer to Seller hereunder. It is the intention and agreement of the Parties that Buyer retain its rights under this Special Condition (4) after any assignment or transfer of Buyer's rights to a Qualified Electric Corporation pursuant to Section 10.5 of the Master Agreement and that Buyer's rights under this Special Condition (4) not be assigned to any a Qualified Electric Corporation in connection with any such assignment or transfer. A Replacement Agreement shall not include the provisions of this Special Condition (4). The provisions of this Special Condition (4) shall survive termination of the Agreement until December 31, 2009 in the event Seller enters into a Replacement Agreement with a Qualified Electric Corporation in accordance with Section 10.5 of the Master Agreement and this Confirmation is accordingly terminated. Except as expressly provided herein, including without limitation clause (d) of this Special Condition (4), no delay or failure of Buyer to exercise any right under this Special Condition (4) shall exhaust or impair any such rights or prevent the exercise thereof during the term hereof. No waiver by Buyer of any failure of Seller to perform under subsection (a) shall affect any subsequent failure of Seller to perform under said subsection, or impair the rights of Buyer with respect thereto. Buyer's rights and Seller's obligations under this Special Condition (4) with respect to any Project shall terminate when Seller has met all of its obligations with respect to such Project under Special Condition (4)(a) or when Seller has assigned its rights in such Project to Buyer.

(i) Seller shall cooperate with any reasonable due diligence request of Buyer to enable Buyer to consider whether to exercise its Step-in Right pursuant to this Special Condition (4). Such request(s) may be made by Buyer at any time, including prior to

such time, if any, as Buyer's Step-in Rights may arise under the Special Condition (4). It is the intent of the parties that any exercise of Step-in Rights by Buyer on the Metcalf Project shall be on a cooperative basis in a manner such that the Metcalf Project will not encounter delays or stoppages from the levels of work on the Metcalf Project being undertaken by Seller prior to the exercise of such Step-in Rights. In this regard, in the event Buyer elects to exercise its Step-in Right on the Metcalf Project, Seller shall cooperate with Buyer in transitioning the work, contracts, permits and undertakings at the Metcalf Project to Buyer, and shall provide for a period of 90 days or for a longer period as agreed to by the parties, at Buyer's expense, services necessary to continue and transition the work, contracts and undertakings at the Metcalf Project to Buyer so long as Buyer enters into a construction management agreement with Seller or its affiliates on reasonable terms consistent with the terms upon which Seller's affiliates commonly provide such services to third parties and standard industry practices. At Buyer's option Seller will assign to Buyer and Buyer will assume in writing those contracts identified by Buyer at such time as Buyer elects to exercise its Step-in Rights.

Section 5. No Waivers. Except as expressly amended hereby, Calpine 2 remains in full force and effect and nothing in this Amendment shall constitute a waiver by Buyer of any rights it may now or will have under Calpine 2, as so amended, with respect to any of the Projects.

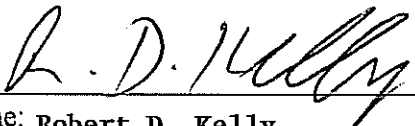
Section 6. Counterparts. This Amendment may be executed in any number of counterparts, and upon execution by the Parties, each executed counterpart shall have the same force and effect as an original instrument and as if the Parties had signed the same instrument. Any signature page of this Amendment may be detached from any counterpart of this Amendment without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Amendment identical in form hereto but having attached to it one or more signature pages.

Section 8. Headings. The headings contained in this Amendment are solely for the convenience of the Parties and should not be used or relied upon in any manner in the construction or interpretation of this Amendment.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the 27 day of October, 2003.

Calpine Energy Services, L.P.

State of California Department of Water Resources
separate and apart from its powers
and responsibilities with respect to
the State Water Resources
Development System

By: 
Name: **Robert D. Kelly**
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By: _____
Name: Peter S. Garris
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IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the 27 day of October, 2003.

Calpine Energy Services, L.P.

By: _____

Name: E. James Macias

Title: Executive Vice President

Phone No: (408) 792-1124

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State of California Department of Water Resources
separate and apart from its powers
and responsibilities with respect to
the State Water Resources
Development System

By:  _____

Name: Peter S. Garriss

Title: Deputy Director

Phone No: (916) 574-2733

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SCHEDULE 1A
Metcalf Milestones

Milestone*	Date
Complete steam turbine generator foundation.	January 30, 2004
Begin erection of first HRSG.	March 1, 2004
Begin installation of combustion turbine generating units.	June 1, 2004
Complete cooling tower foundation.	October 30, 2004
Complete construction of natural gas pipeline to meter station.	November 30, 2004
Complete hydro test of first HRSG.	March 1, 2005.
First fire of the first combustion turbine-generator.	May 1, 2005.
Complete steam blows and plant restoration.	May 30, 2005.
Commercial Operation.	July 31, 2005.

* Upon written request of the Buyer, Seller shall provide Buyer reasonable evidence that validates successful achievement of any of the milestones set forth in this Schedule 1A.

SCHEDULE 1B

METCALF PROJECT CONSTRUCTION MILESTONES			
* Calpine to provide monthly progress reports per Special Condition 2 relative to all Construction Milestones.			
Item No.	Task Name	Start Milestone Date	Finish Milestone Date
1	Drive Production Pile	12/5/2002	Complete
2	Install U/G Circ Water Pipe	4/1/2003	Complete
3	Build FDN-STG	9/30/2003	1/30/2004
4	Assemble and Set Condenser	11/30/2003	3/15/2004
5	Install U/G Electrical	9/30/2003	4/30/2004
6	Install U/G Mechanical	9/30/2003	4/30/2004
7	Build FDN-HRSG #1 and #2	1/1/2004	4/30/2004
8	Build FDN-CTGs	3/1/2004	5/30/2004
9	Set Transformers		6/30/2004
10	Build Recycled and Potable Water Interconnects	3/30/2003	10/15/2004
11	Erect Pipe Rack Steel	3/15/2004	10/30/2004
12	Build FDN-Cooling Tower	8/1/2004	10/30/2004
13	Construct Nat. Gas Pipeline to Meter Sta.	6/1/2004	11/30/2004
14	Install STG	12/1/2003	12/30/2004
15	Build and Check out Switchyard	6/1/2004	1/30/2005
16	Erect Admin Bldg	8/1/2004	1/30/2005
17	Erect First HRSG	3/1/2004	2/1/2005
18	Erect Second HRSG	4/1/2004	3/1/2005
19	Hydro Test First HRSG	1/15/2005	3/1/2005
20	Erect Cooling Tower	10/30/2004	3/1/2005
21	Energize Switchyard	2/1/2005	3/1/2005
22	Hydro Test Second HRSG	1/30/2005	3/30/2005
23	Install CTGs	6/1/2004	3/30/2005
24	Install Process Electrical	6/1/2004	4/30/2005
25	Check out & T/O both CTGs	3/30/2005	4/30/2005
26	Install BOP Piping	4/1/2004	5/1/2005
27	Hydro BOP Sim & Wtr Sys	3/1/2005	5/1/2005
28	Complete CEMS installation		5/1/2005
29	Plant Mechanical Completion including Demineralized Water System		5/1/2005
30	First Fire First CTG		5/1/2005
31	First Fire Second CTG		5/15/2005
32	Steam Blow and Restore	5/15/2005	5/30/2005
33	Commission DCS	2/1/2005	6/1/2005
34	Commission Plant	5/1/2005	7/30/2005
35	Performance Test Plant	7/10/2005	7/30/2005
36	Commercial Operation		7/31/2005
	Delivery of STG		Complete
	Delivery of CTGs		Complete

SCHEDULE 2

Metcalf Project Status as of September 23, 2003

1. The following major pieces of equipment have been procured:
 - Combustion Turbines-Generators
 - Steam Turbine-Generator
 - Heat Recovery Steam Generators
 - Steam Turbine Condenser
 - Cooling Tower
 - Major Pumps
 - Generator Step Up Transformers
 - Water Treatment System
2. Engineering is 92 percent complete and the following activities were completed during the month of August 2003:
 - Burns and Roe continued to support the construction effort
 - Drawings for Iso-Phase Bus Support Foundations
 - Reviewed final drawings for Isolated Phase Bus Duct
 - Reviewed PDC MCC data sheets and Non-Seg Bus Drawings
 - Coordinated grounding with Switchyard Engineer
 - Issued for Bid – Gauges and Meters specifications
 - Started development of Air Evacuation piping
 - Completed development of Hydraulic Piping
3. The following construction activities have been completed or are underway:
 - A total of 1,754 piles have been driven.
 - Phase I grading has been completed.
 - Construction by the City of San Jose has commenced on the 7 mile recycled water pipeline.
 - Contracts have been issued for major foundations, underground electrical and mechanical, and Phase II earthwork.